



AGENDA BILL APPROVAL FORM

Agenda Subject: February 2013 Financial Report		Date: April 8, 2013
Department: Finance	Attachments: Monthly Financial Report	Budget Impact: \$0
Administrative Recommendation:		
<p>Background Summary: The purpose of the monthly financial reports is to summarize for the City Council the general state of Citywide financial affairs and to highlight significant items or trends that the City Council should be aware of. The following provides a high level summary of the City's financial performance. Further detail can be found within the attached financial report.</p> <p>The February status report is based on financial data available as of March 25, 2013. Sales tax information represents business activity that occurred in December 2012.</p> <p><u>General Fund:</u> The general fund is the City's largest fund and is used to account for the majority of City resources and services except those required by statute or to be accounted for in another fund.</p> <p>Through the first two months of 2013, General Fund expenses totaled \$7.8 million and compare to \$7.4 million for the same period last year. The increase in year-over-year expenses reflect the payment of SCORE debt service principal (prior to 2013, debt service payments were interest only) and increased payments for incarceration services (current period payments are based upon prior year City inmate counts).</p> <p>General Fund revenues, which were not sufficient to meet General Fund expenses, totaled \$7.5 million for 2013 year-to-date, and compare to collections of \$6.9 million for the same period last year. The increase in revenue reflect the current upswing in general construction activity locally and regionally and includes \$399,000 in building permit revenues from the Auburn High School Reconstruction and Modernization project.</p> <p>During the month of February, 361 pet licenses were sold resulting in \$10,875 in revenue. Year-to-date, 631 licenses have been sold bringing in a total of \$18,150.</p> <p><u>Enterprise Funds:</u> The City's eight enterprise funds account for operations with revenues primarily provided from user fees, charges or contracts for services.</p> <p>At the end of February, the Water fund ended with operating income of \$92,700; the Sewer fund ended the period with a \$250,700 operating loss; and the Storm Drainage fund ended with operating income of \$242,300.</p> <p>The Golf Course ended the period with an operating loss of \$177,200 as compared to an operating loss of \$189,800 for the same period last year. The improvement in the Golf Course financial performance reflect an increase in year-to-date rounds played -- 3,041 as compared to 2,812 the previous year. The Cemetery ended with \$14,200 in net operating income compared to an operating loss of \$20,400 for the previous year, improvement of which is attributable to a decrease in operating expenses.</p>		

Internal Service Funds:

Internal Service Funds provide services to other City departments and include functions such as Insurance, Facilities, Innovation and Technology, and Equipment Rental. By the end of the year, revenues received from charges to internal client departments are projected to be sufficient to meet expenses.

Investment Portfolio:

The City's total cash and investments at the end of February was \$91.8 million, compared to \$90.6 million the month prior.

Reviewed by Council & Committees:

- ☐ Arts Commission
- ☐ Airport
- ☐ Hearing Examiner
- ☐ Human Services
- ☐ Park Board
- ☐ Planning Comm.

COUNCIL COMMITTEES:

- ☒ Finance
- ☐ Municipal Serv.
- ☐ Planning & CD
- ☒ Public Works
- ☐ Other _____

Reviewed by Departments & Divisions:

- | | |
|---|--|
| <input type="checkbox"/> Building | <input type="checkbox"/> M&O |
| <input type="checkbox"/> Cemetery | <input type="checkbox"/> Mayor |
| <input checked="" type="checkbox"/> Finance | <input type="checkbox"/> Parks |
| <input type="checkbox"/> Fire | <input type="checkbox"/> Planning |
| <input type="checkbox"/> Legal | <input type="checkbox"/> Police |
| <input type="checkbox"/> Public Works | <input type="checkbox"/> Human Resources |
| <input type="checkbox"/> Information Services | |

Action:

Committee Approval: ☐ Yes ☐ No
 Council Approval: ☐ Yes ☐ No
 Referred to _____ Until ____/____/____
 Tabled _____ Until ____/____/____
 Call for Public Hearing ____/____/____

Councilmember: Partridge

Staff: Coleman

Meeting Date: April 15, 2013

Item Number:

General Fund Summary of Sources and Uses	2013			2012	2013 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
Operating Revenues						
Property Tax	14,299,417.00	203,400.00	169,370.63	163,591.38	(34,029.37)	-16.7%
Sales Tax	11,280,869.00	1,935,400.00	2,165,003.82	2,161,023.04	229,603.82	11.9%
Sales Tax - Annexation Credit	1,397,602.00	240,400.00	285,696.76	258,120.94	45,296.76	18.8%
Criminal Justice Sales Tax	1,225,059.00	214,400.00	268,017.81	247,880.41	53,617.81	25.0%
Brokered Natural Gas Tax	301,500.00	72,900.00	64,173.75	75,623.17	(8,726.25)	-12.0%
City Utilities Tax	2,991,933.00	465,100.00	612,072.38	418,759.41	146,972.38	31.6%
Admissions Tax	363,609.00	60,100.00	59,019.88	55,894.67	(1,080.12)	-1.8%
Electric Tax	3,340,500.00	857,000.00	786,368.23	812,586.09	(70,631.77)	-8.2%
Natural Gas Tax	1,201,900.00	303,300.00	244,173.48	295,288.92	(59,126.52)	-19.5%
Cable TV Franchise Fee	808,000.00	204,100.00	212,145.32	202,201.09	8,045.32	3.9%
Cable TV Franchise Fee - Capital	62,000.00	15,600.00	15,820.88	15,823.75	220.88	1.4%
Telephone Tax	2,032,574.00	373,600.00	270,364.48	359,943.36	(103,235.52)	-27.6%
Garbage Tax (external)	151,504.00	25,700.00	7,899.52	12,380.69	(17,800.48)	-69.3%
Leasehold Excise Tax	50,501.00	8,400.00	10,350.27	2,400.87	1,950.27	23.2%
Gambling Excise Tax	247,965.00	59,900.00	71,991.75	65,767.47	12,091.75	20.2%
Taxes sub-total	39,754,933.00	5,039,300.00	5,242,468.96	5,147,285.26	203,168.96	4.0%
Business License Fees	202,005.00	74,000.00	71,961.00	89,782.50	(2,039.00)	-2.8%
Building Permits	1,182,066.00	122,400.00	626,702.17	155,934.35	504,302.17	412.0%
Other Licenses & Permits	454,413.00	39,700.00	94,300.87	42,632.92	54,600.87	137.5%
Intergovernmental (Grants, etc.) - (1)	4,751,784.00	803,000.00	754,449.44	802,018.69	(48,550.56)	-6.0%
Charges for Services:						
General Government Services	94,467.00	14,400.00	18,237.61	18,862.93	3,837.61	26.7%
Public Safety	219,305.00	40,300.00	8,302.38	39,657.12	(31,997.62)	-79.4%
Development Services Fees	832,458.00	99,400.00	164,563.46	148,307.44	65,163.46	65.6%
Culture and Recreation	809,717.00	103,800.00	118,030.18	114,099.68	14,230.18	13.7%
Fines and Forfeits	1,556,500.00	282,100.00	219,910.88	277,783.60	(62,189.12)	-22.0%
Fees/Charges/Fines sub-total	10,102,715.00	1,579,100.00	2,076,457.99	1,689,079.23	497,357.99	31.5%
Interests and Other Earnings	64,900.00	8,900.00	7,942.84	12,036.92	(957.16)	-10.8%
Rents, Leases and Concessions	308,000.00	64,900.00	43,410.05	43,994.37	(21,489.95)	-33.1%
Contributions and Donations	30,000.00	2,200.00	1,766.44	4,837.82	(433.56)	-19.7%
Other Miscellaneous	92,200.00	8,300.00	12,060.86	12,476.45	3,760.86	45.3%
Transfers In	193,000.00	193,000.00	119,548.00	17,000.00	(73,452.00)	-38.1%
Insurance Recoveries- Capital & Operating	25,000.00	2,101.94	27,042.43	10,446.13	24,940.49	1186.5%
Other Revenues sub-total	713,100.00	279,401.94	211,770.62	100,791.69	(67,631.32)	-24.2%
Total Operating Revenues	50,570,748.00	6,897,801.94	7,530,697.57	6,937,156.18	632,895.63	9.2%
Operating Expenditures						
Council & Mayor	960,930.00	140,500.00	155,922.89	128,603.50	(15,422.89)	-11.0%
Municipal Court & Probation	549,494.00	80,300.00	62,482.60	462,130.39	17,817.40	22.2%
Human Resources	1,572,256.00	239,800.00	221,713.25	135,279.30	18,086.75	7.5%
Finance	1,287,232.00	194,800.00	186,144.49	171,314.66	8,655.51	4.4%
City Attorney	1,728,391.00	261,500.00	259,027.06	240,439.62	2,472.94	0.9%
Planning	3,824,581.00	612,000.00	685,105.64	633,158.69	(73,105.64)	-11.9%
Community & Human Services	1,136,717.00	213,100.00	188,965.76	200,259.17	24,134.24	11.3%
Jail - SCORE	6,676,146.00	1,140,624.33	796,633.96	286,419.41	343,990.37	30.2%
Police	19,434,846.00	3,146,600.00	2,965,425.22	2,993,330.61	181,174.78	5.8%
Engineering	2,646,999.00	410,700.00	386,552.29	388,312.62	24,147.71	5.9%
Parks and Recreation	7,719,646.00	1,123,500.00	1,195,598.80	1,073,879.19	(72,098.80)	-6.4%
Streets	3,263,864.00	488,400.00	441,222.30	417,931.61	47,177.70	9.7%
Non-Departmental	3,567,437.00	288,000.00	325,688.58	286,813.09	(37,688.58)	-13.1%
Total Operating Expenditures	54,368,539.00	8,339,824.33	7,870,482.84	7,417,871.86	469,341.49	5.6%

- (1) Streamlined Sales Tax mitigation payments represent intergovernmental revenues from the State of Washington and are presented above in the Intergovernmental Revenue category. For the first two months of 2013, \$333,333.33 in Streamlined Sales Tax mitigation payments is included based upon anticipated 2013 Streamlined Sales Tax mitigation payments of \$2,000,000.00 and are reconciled at the end of each quarter based upon actual distributions from the State.

Overview

This financial overview reflects the City's overall financial position for the fiscal period ending February 28, 2013 and represents financial data available as of March 25, 2013. The budgeted year-to-date revenues and operating expenses are primarily based on collection/disbursement average for the same period of the two years prior.

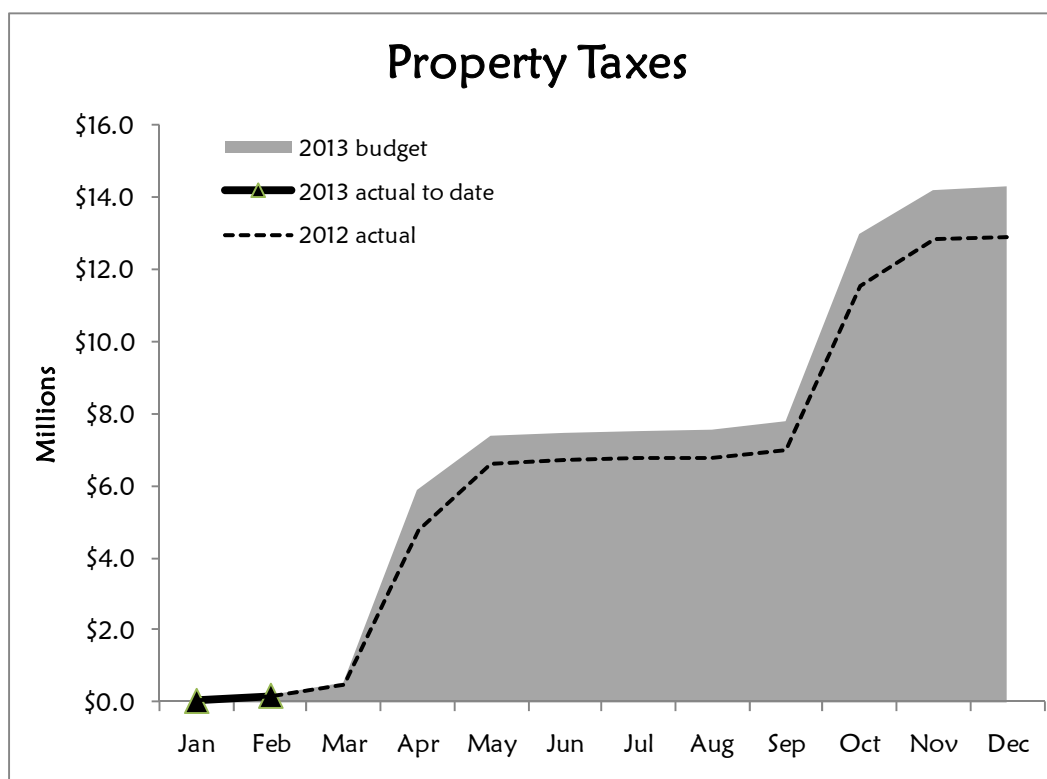
Through the first two months of 2013, General Fund revenue totaled \$7.5 million. Significant activity include building permit revenues, which for the month of February include permit revenues from the Auburn High School Reconstruction and Modernization project. In general, building permit and plan check revenue are increased over the previous year, reflecting a broader improvement in housing that is seen locally and regionally.

General Fund expenses totaled \$7.9 million and compare to \$7.4 million for the same period last year, increase of which is attributable to the payment of the City's share of SCORE debt service principal and SCORE City inmate incarceration costs.

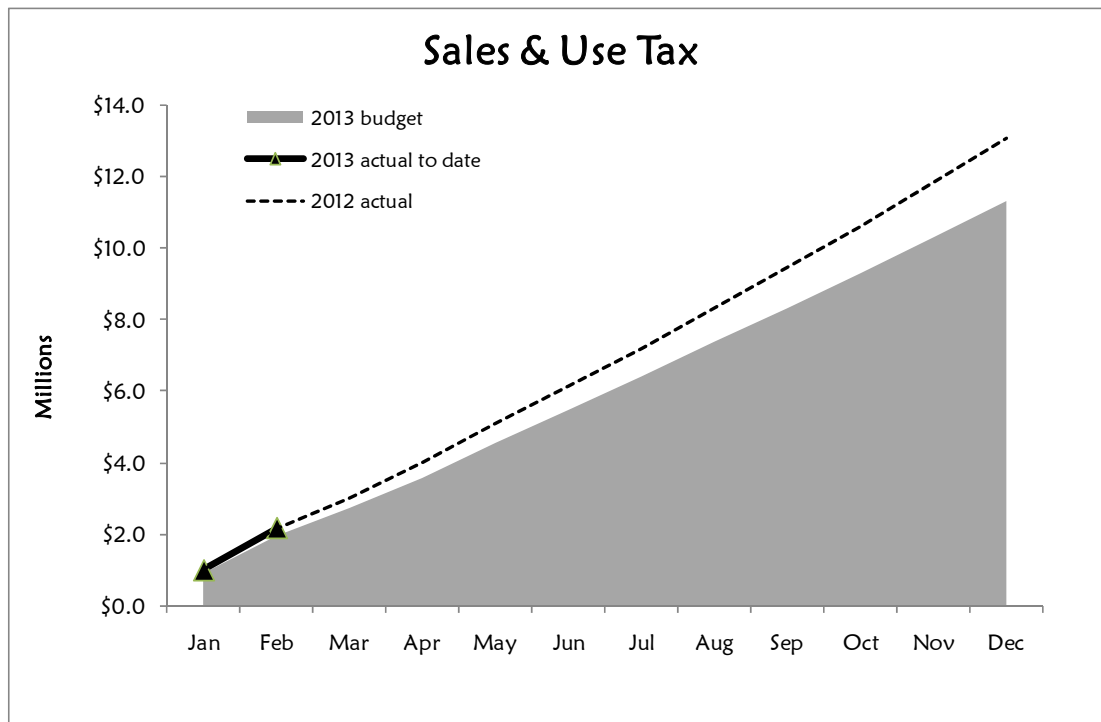
Revenues

The combined total of property tax, sales/use tax, utility tax, gambling, and admissions tax provide approximately 80% of all resources supporting general governmental activities. The following section provides additional information on these sources.

Property Tax collections to date total \$169,000 and compare to budget of \$203,000. The majority of property tax revenues are collected during the months of April and October, coinciding with the due date for County property tax billings.



Sales taxes, excluding transfers to construction which were effective January 2013, totaled \$2.2 million and are nearly identical to collections for the same period the previous year.



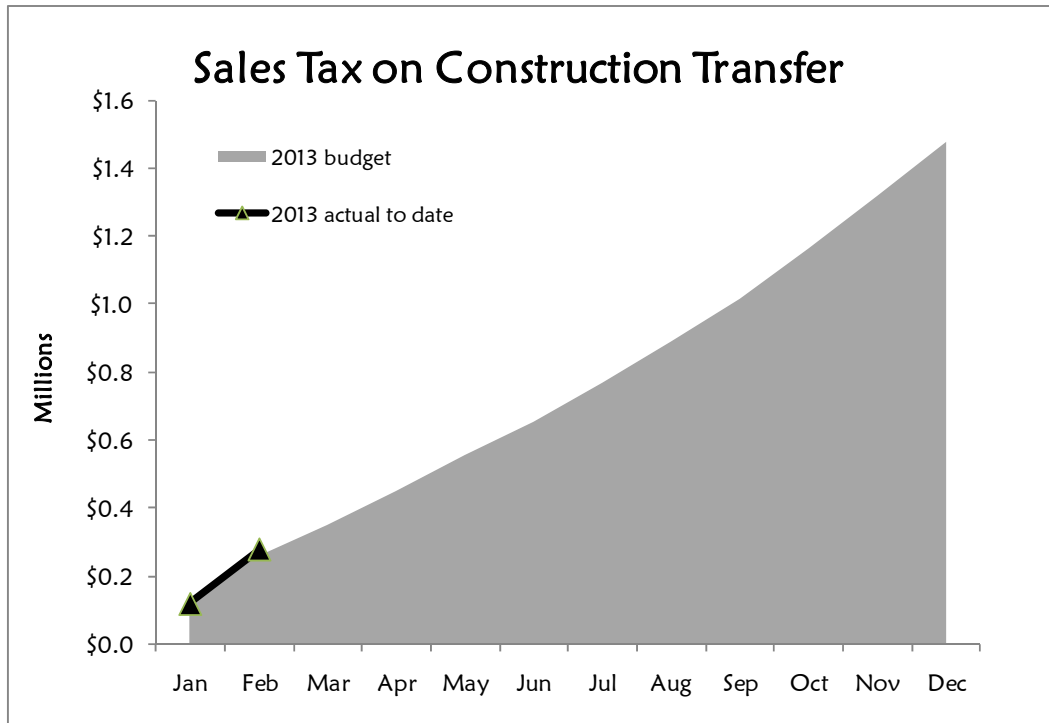
Per City Council policy, effective January 2013, all sales tax revenue from construction is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance.

The following table breaks out the City's base sales tax, excluding Criminal Justice, Annexation Credit and Streamlined Sales Tax Mitigation by major business sectors.

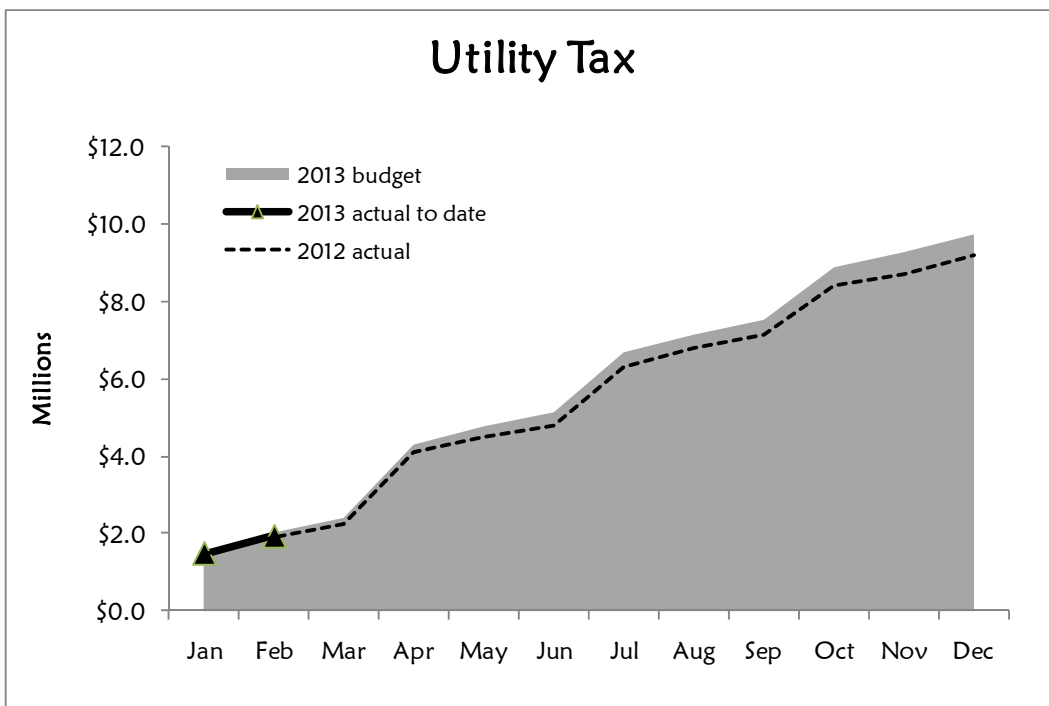
Comparison of Sales Tax Collections by SIC Group				
February-2013				
Component Group	2012	2013	Change from 2012	
	Actual	Actual	Amount	Percentage
Construction	212,147.60	277,216.26	65,068.66	30.7%
Manufacturing	9,896.95	112,393.77	102,496.82	1035.6%
Transportation & Warehousing	7,809.42	12,267.45	4,458.03	57.1%
Wholesale Trade	215,398.01	190,450.74	(24,947.27)	-11.6%
Automotive	461,992.73	488,424.38	26,431.65	5.7%
Retail Trade	790,290.02	826,080.55	35,790.53	4.5%
Services	500,033.53	557,656.55	57,623.02	11.5%
Miscellaneous	6,886.86	20,284.00	13,397.14	194.5%
YTD Total	2,204,455.12	2,484,773.70	280,318.58	12.7%

As shown above, sales taxes by business sector totaled \$2.5 million and compare to \$2.2 million for the same period last year. It is important to note that 2012 actuals for the Manufacturing sector include an adjustment of \$74,000 by the State Department of Revenue as a result of an audit. After adjusting for this audit, the sectors of the local economy that grew over the previous year include construction, business services and retail trade.

Year to date sales tax revenue on construction, which are transferred to the Local Street Fund (Fund 103) for local street repair and maintenance, was \$286,000.



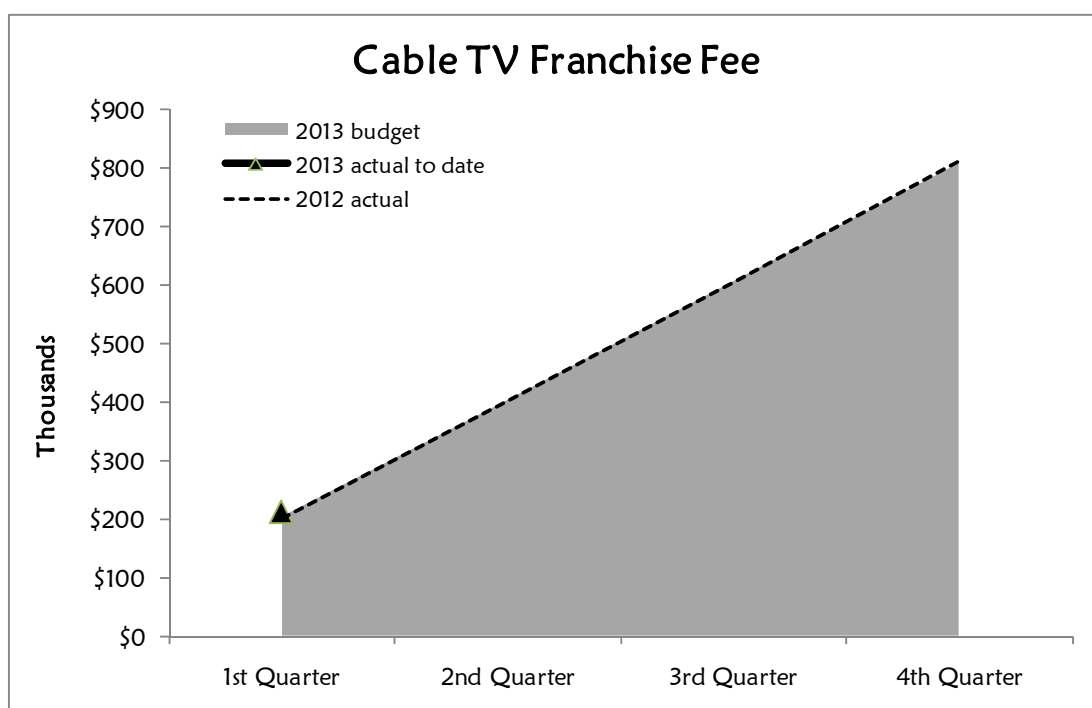
Utility Taxes consists of City inter-fund utility taxes (Water, Sewer, Storm and Solid Waste) and external utility taxes (Electric, Natural Gas, Telephone and Solid Waste). Utility tax collections through February totaled \$1.9 million and are comparable to collections for the same period last year.



As shown in the table below, collections from City interfund utilities partially offset lower than expected collections from private utility providers. A mild winter has reduced consumer heating demands and resulted in year-over-year declines in electric and natural gas revenue collections. Telephone utility taxes are lower than the previous year, reflecting the competitiveness of rates for telephone plans.

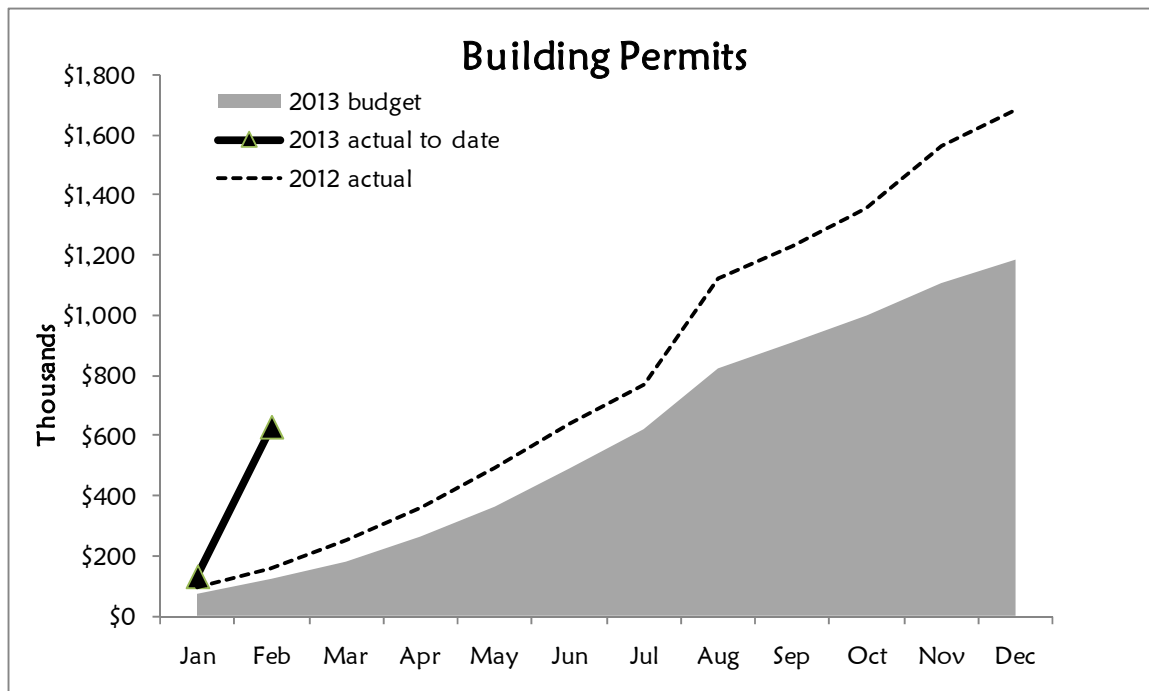
Utility Tax by Type February-2013							
Month	2012 Actual	2013 Budget	2013 Actual	2013 vs. 2012		2013 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	418,759.41	465,100.00	612,072.38	193,312.97	46.2%	146,972.38	31.6%
Electric	812,586.09	857,000.00	786,368.23	(26,217.86)	-3.2%	(70,631.77)	-8.2%
Natural Gas	295,288.92	303,300.00	244,173.48	(51,115.44)	-17.3%	(59,126.52)	-19.5%
Telephone	359,943.36	373,600.00	270,364.48	(89,578.88)	-24.9%	(103,235.52)	-27.6%
Garbage (external)	12,380.69	25,700.00	7,899.52	(4,481.17)	-36.2%	(17,800.48)	-69.3%
YTD Total	1,898,958.47	2,024,700.00	1,920,878.09	21,919.62	1.2%	(103,821.91)	-5.1%

Cable TV Franchise Fees, which are collected quarterly, totaled \$212,000 and are on target with budget and historical actuals.

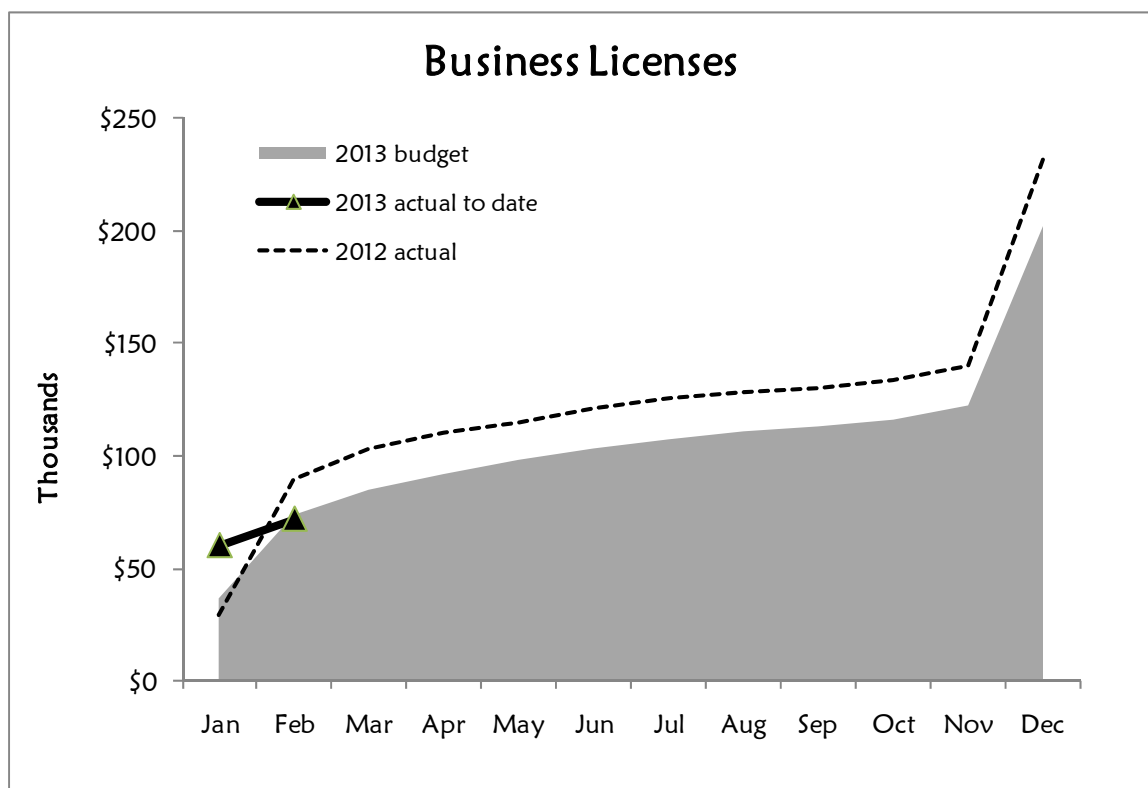


Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up 80% of the annual budgeted revenue in this category.

Total building permit revenues through February was \$627,000 and exceeded both budget and prior year actual. The spike in February is largely explained by building permit fees collected from the Auburn High School Reconstruction and Modernization project.



Business License revenues totaled \$72,000 and reflect the timing of payments by business owners. The majority of business license payments are collected in December of the previous year and during the first two months of the current year.



Intergovernmental includes Grants (Direct & Indirect Federal, State and Local), state shared revenues and compact revenue from the Muckleshoot Indian Tribe (MIT). Collections to date total \$754,000 and are running lower than budget due to the timing of MIT payments.

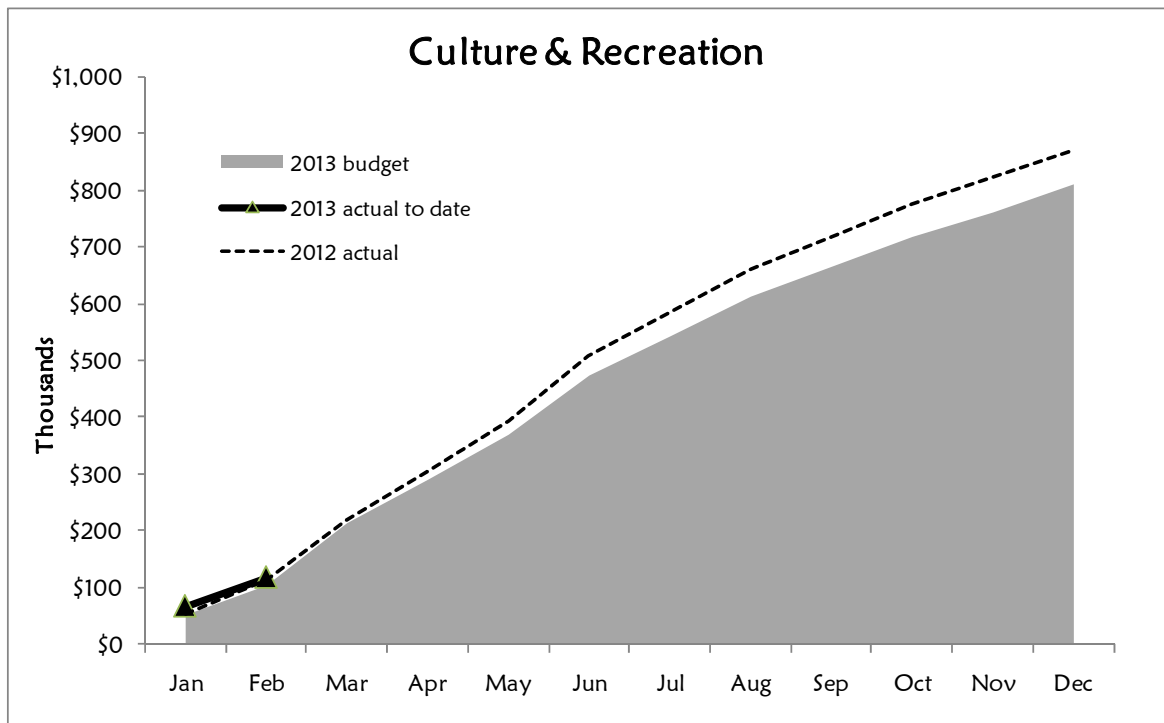
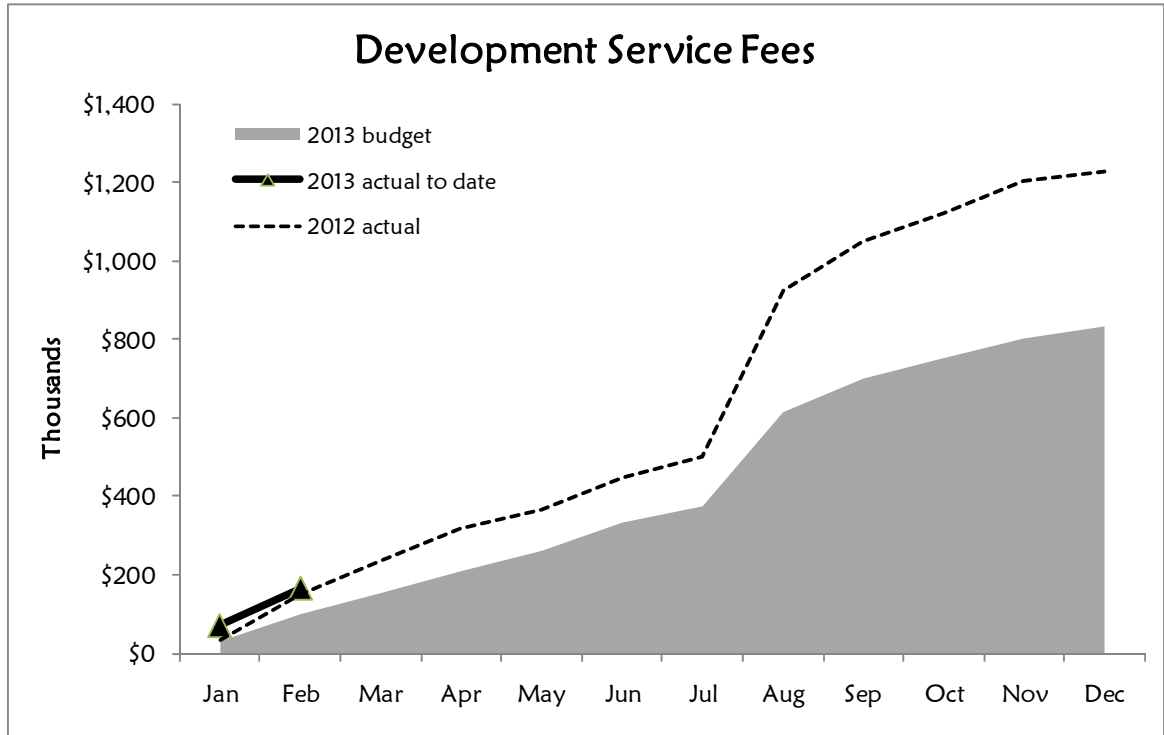
Intergovernmental February-2013						
Revenue	2012 Actual	2013 Budget	2013 Actual	2013 vs. 2012 % Change	2013 vs. Budget	
					Amount	% Change
Federal Grants	0.00	0.00	2,229.96	N/A	2,229.96	N/A
State Grants	0.00	0.00	9,961.01	N/A	9,961.01	N/A
Interlocal Grants	2,500.00	300.00	2,000.00	N/A	1,700.00	566.7%
State Shared Revenue	636,237.69	557,400.00	550,530.77	-13.5%	(6,869.23)	-1.2%
Muckleshoot Casino Emerg.	163,281.00	245,300.00	182,594.00	11.8%	(62,706.00)	-25.6%
Intergovernmental Service	0.00	0.00	7,133.70	0.0%	7,133.70	N/A
YTD Total	802,018.69	803,000.00	754,449.44	-5.9%	(48,550.56)	-6.0%

State shared revenue includes \$333,000 in Streamlined Sales Tax mitigation payments.

Charges for Services consists of general governmental services, public safety, development service fees and cultural & recreation fees. Development service fees and culture and recreation fees make up over 85% of the revenue within this category. Development service fee collections this period reflect charges as a result of city utility extension projects as well as plan check fees related to the Auburn High School Modernization and Reconstruction project and the Lakeland Villas project. Culture and recreation revenues are improved over 2012 levels and are higher than budget, reflecting increased activity from city special events, class registrations and league enrollments.

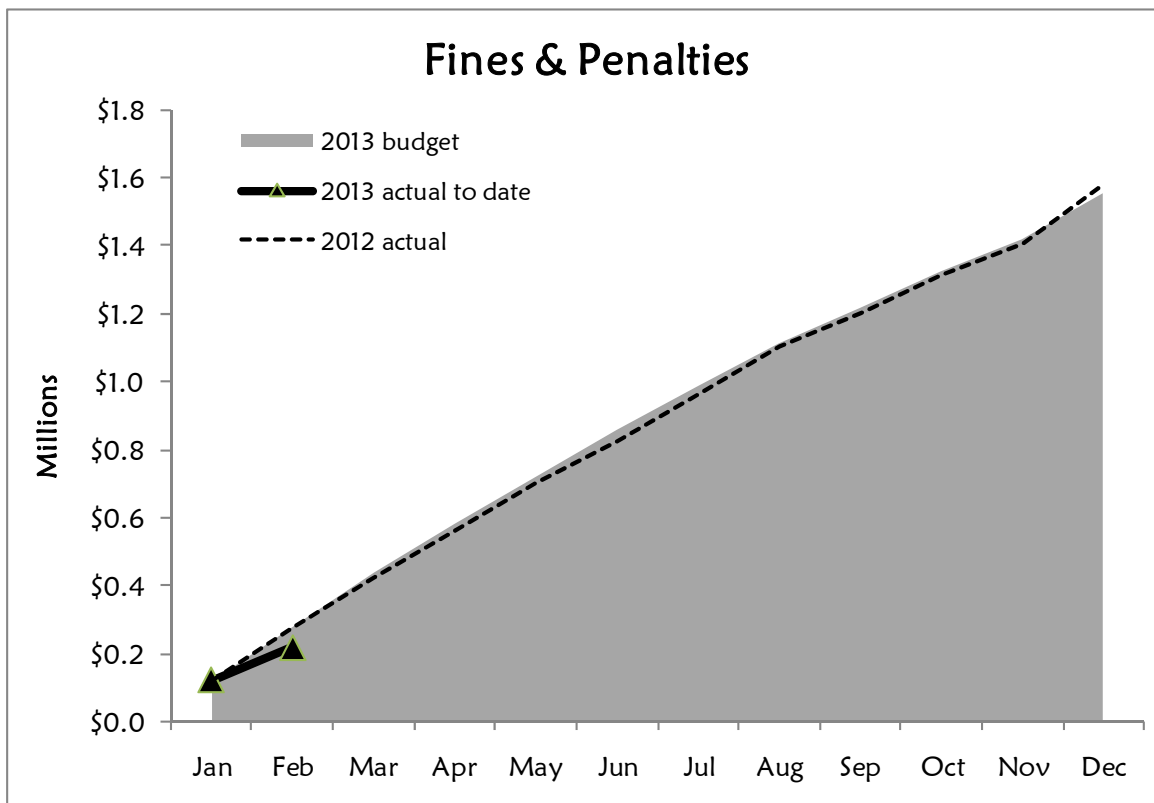
Year-to-date 2013 Public Safety charges for services reflect the elimination of revenue from Adult Probation and explain the variance to budget and historical actual. These revenues are now retained by King County under the City-King County District Court contract for municipal court services. The 2013 budget will be amended starting with the March financial report, consistent with the timing of Council approved BA#1.

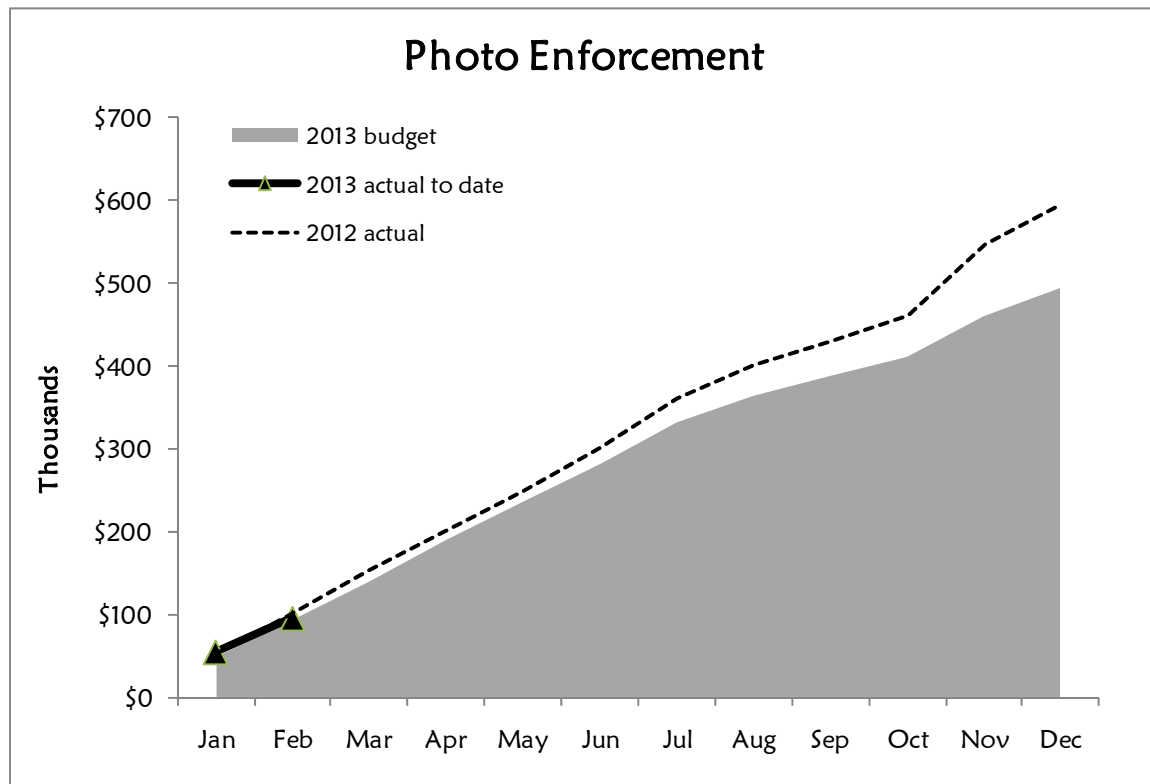
Charges for Services by Type February-2013							
Revenue	2012 Actual	2013 Budget	2013 Actual	2013 vs. 2012		2013 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	18,862.93	14,400.00	18,237.61	(625.32)	-3.32%	3,837.61	26.65%
Public Safety	39,657.12	40,300.00	8,302.38	(31,354.74)	-79.1%	(31,997.62)	-79.4%
Development Services	148,307.44	99,400.00	164,563.46	16,256.02	11.0%	65,163.46	65.6%
Culture & Recreation	114,099.68	103,800.00	118,030.18	3,930.50	3.4%	14,230.18	13.7%
YTD Total	320,927.17	257,900.00	309,133.63	(11,793.54)	-3.7%	51,233.63	19.9%



Fines & Penalties include traffic and parking infraction penalties, Redflex photo enforcement violations, criminal fines (including criminal traffic, criminal non traffic and criminal costs) as well as non court fines such as false alarm and shopping cart fines. Total revenue to date is \$220,000 compared to budget of \$282,000.

Fines & Forfeits by Type February-2013							
Month	2012 Actual	2013 Budget	2013 Actual	2013 vs. 2012		2013 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	2,439.91	2,100.00	2,028.95	(410.96)	-16.8%	(71.05)	-3.4%
Civil Infraction Penalties	117,577.14	118,700.00	69,647.22	(47,929.92)	-40.8%	(49,052.78)	-41.3%
Red Light Photo Enforcement	100,943.79	93,600.00	95,919.91	(5,023.88)	-5.0%	2,319.91	2.5%
Parking Infractions	18,496.74	28,600.00	21,428.88	2,932.14	15.9%	(7,171.12)	-25.1%
Criminal Traffic Misdemeanor	19,046.55	16,900.00	7,820.32	(11,226.23)	-58.9%	(9,079.68)	-53.7%
Criminal Non-Traffic Fines	14,343.43	14,400.00	8,153.50	(6,189.93)	-43.2%	(6,246.50)	-43.4%
Criminal Costs	2,824.12	2,500.00	2,392.45	(431.67)	-15.3%	(107.55)	-4.3%
Non-Court Fines & Penalties	2,111.92	5,300.00	12,519.65	10,407.73	492.8%	7,219.65	136.2%
YTD Total	277,783.60	282,100.00	219,910.88	(57,872.72)	-20.8%	(62,189.12)	-22.0%

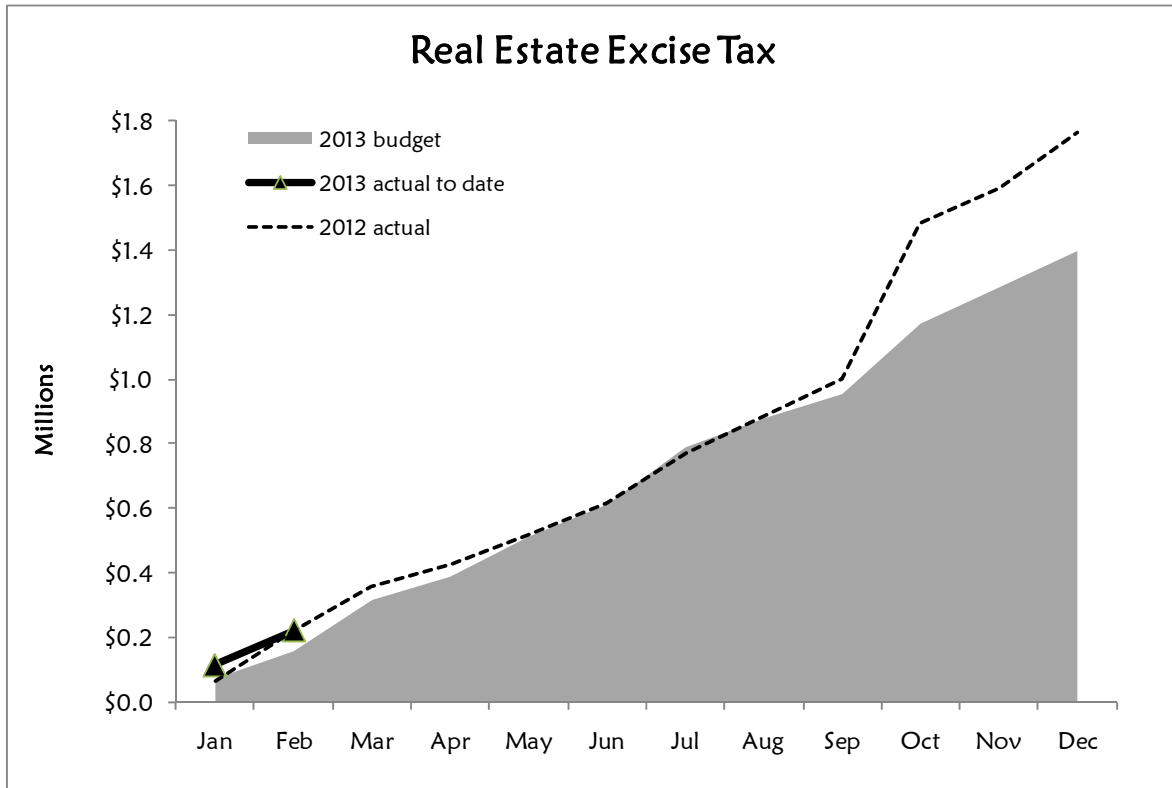




Miscellaneous revenues include interest and other investment earnings, rents, leases & concessions, contributions & donations and other miscellaneous income. Revenues in this category totaled \$65,000 and were below budget by \$19,000 primarily due to reduced facility rental revenues.

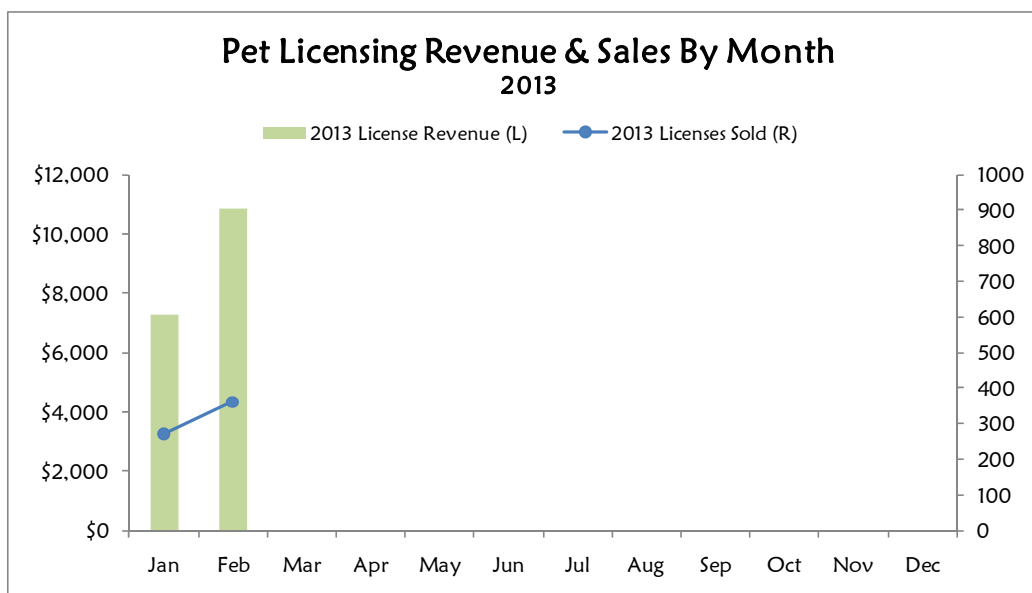
Miscellaneous Revenues by Type							
February-2013							
Month	2012 Actual	2013 Budget	2013 Actual	2013 vs. 2012		2013 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	12,036.92	8,900.00	7,942.84	(4,094.08)	-34.0%	(957.16)	-10.8%
Rents & Leases	43,994.37	64,900.00	43,410.05	(584.32)	-1.3%	(21,489.95)	-33.1%
Contributions & Donations	4,837.82	2,200.00	1,766.44	(3,071.38)	-63.5%	(433.56)	-19.7%
Other Miscellaneous Revenue	12,476.45	8,300.00	12,060.86	(415.59)	-3.3%	3,760.86	45.3%
YTD Total	73,345.56	84,300.00	65,180.19	(8,165.37)	-11.1%	(19,119.81)	-22.7%

Real Estate Excise Tax (REET) revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. Total revenue at the end of February was \$221,000 and exceeds budget and prior year actuals by \$65,000 and \$4,000 respectively, reflecting local and regional improvement in real estate transactions.



Pet Licensing

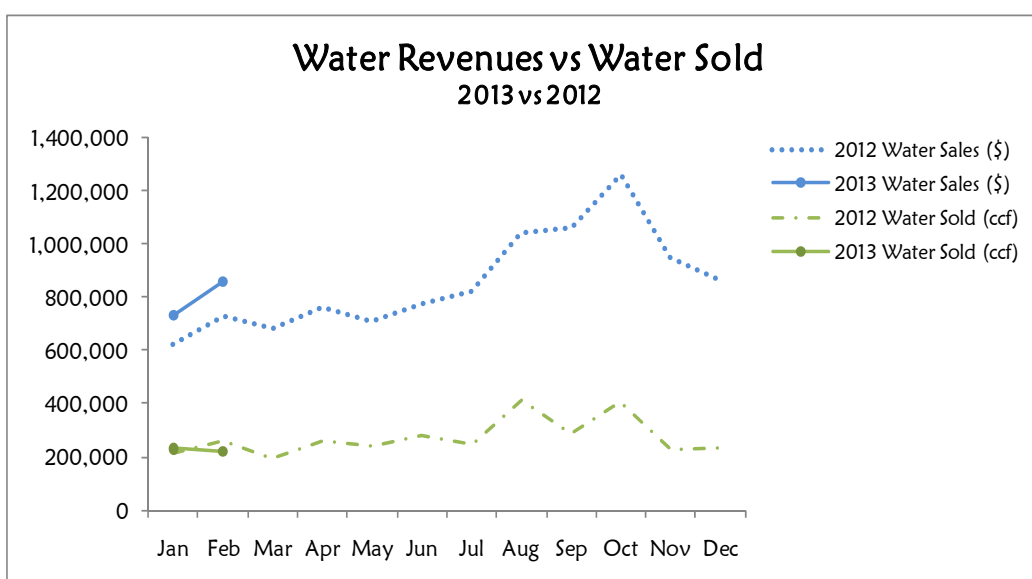
During the month of February, 361 pet licenses were sold resulting in \$10,875 in revenue. Year-to-date, 631 licenses have been sold bringing in a total of \$18,150.



Enterprise Funds

The detailed Working Capital and Fund Balance statements for Enterprise and Internal Service funds can be found in the Appendix at the end of this Report.

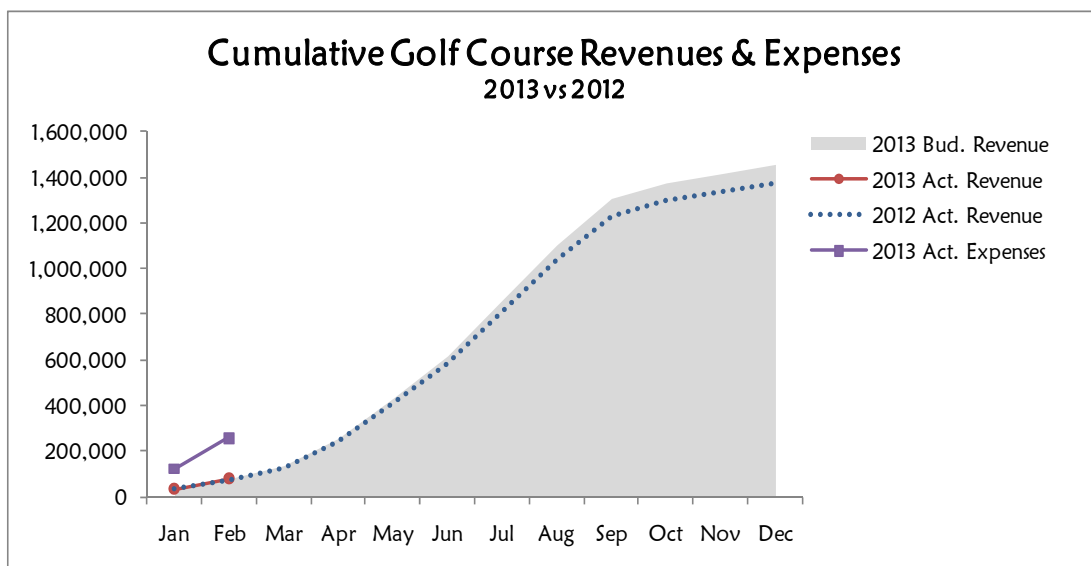
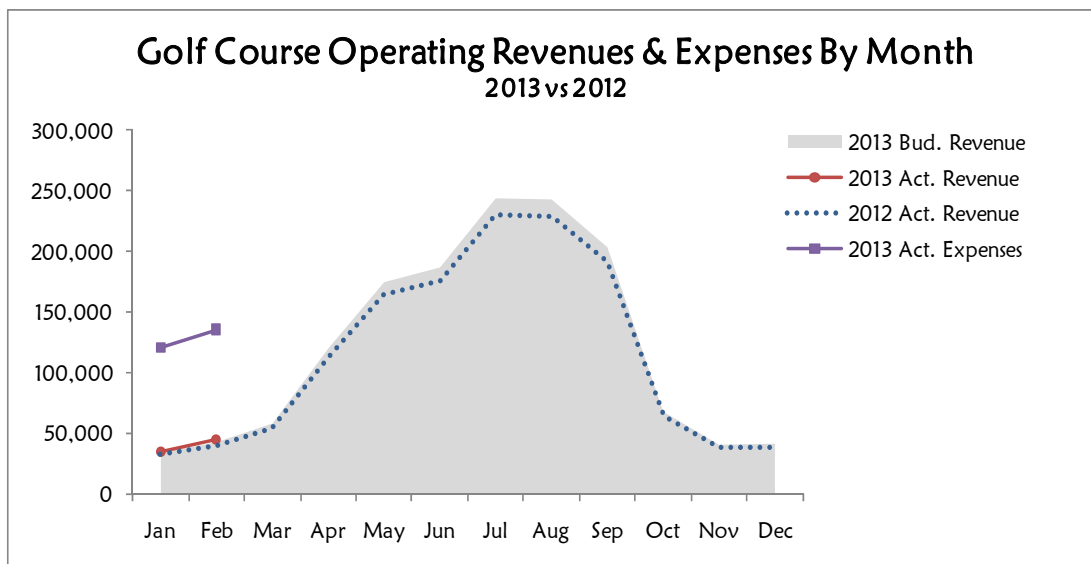
The **Water Utility** ended February with \$92,700 in net operating income and compares to \$28,500 in net operating income for the same period in 2012. Water sales continue to improve over the previous year as planned while water usage is remaining relatively stable.



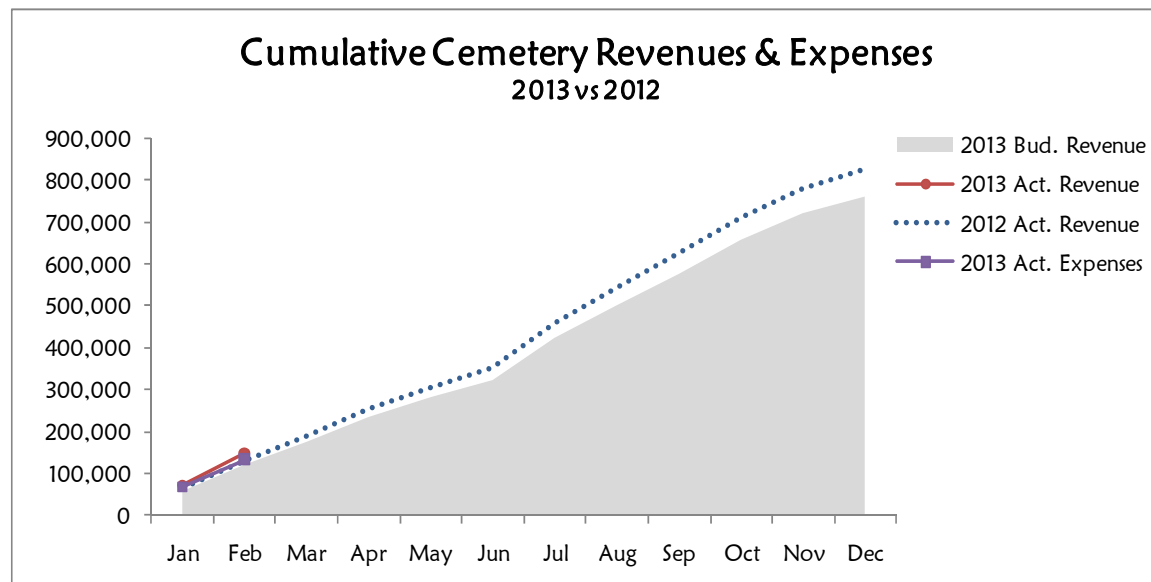
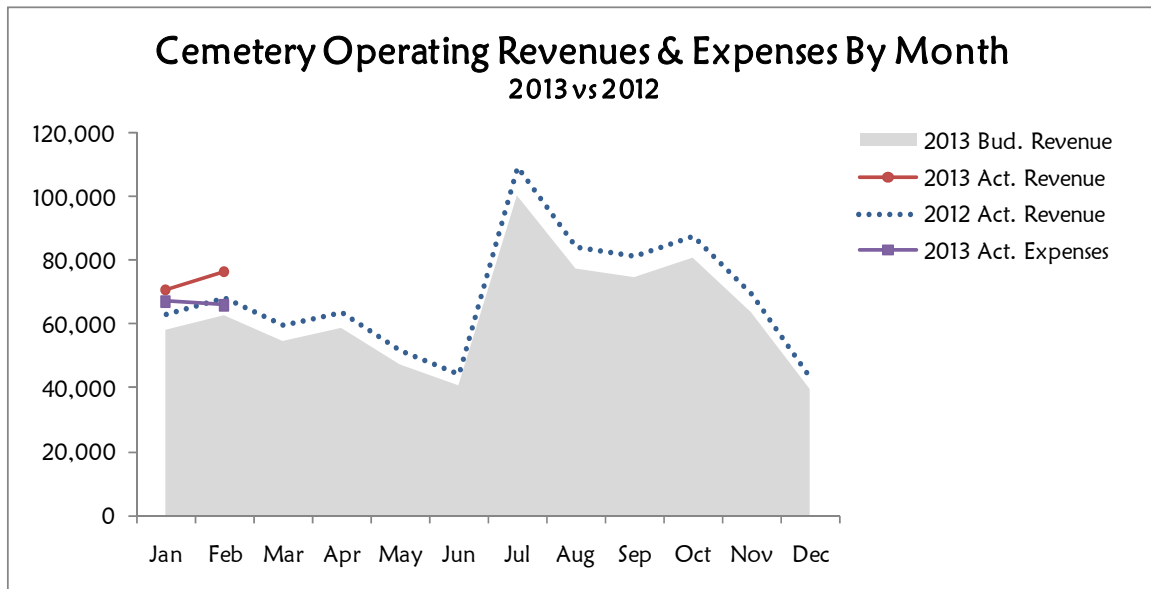
The **Sewer Utility** ended the period with a \$250,700 net operating loss and compares to a \$248,400 net loss for the same period in 2012.

The **Stormwater Utility** ended the period with \$242,300 in net operating income which compares to \$186,900 in net income for the same period last year.

The number of rounds played at the **Auburn Golf Course (AGC)** in February totaled 1,764 which compares to 1,687 for the same period last year. Year-to-date rounds total 3,041 compared to 2,812 rounds in 2012. The AGC ended February with a net operating loss of \$177,200 compared to a loss of \$189,800 for the same period last year, reflecting seasonal revenue patterns as compared to relatively stable operating costs.



The **Cemetery Fund** ended February with \$14,200 in net operating income compared to a \$20,400 net operating loss for the same period last year, reflecting a decrease in fund operating expenses.



Internal Service Funds

Operating expenses within the **Insurance Fund** represents the premium cost-pool that will be allocated monthly to other City funds over the course of 2013. As a result, this balance will gradually diminish each month throughout the year. The **Innovation & Technology Fund** ended with a net loss, reflecting the timing of expenses. No significant variances are reported in the **Facilities Fund** or **Equipment Rental Fund**. Both funds have had sufficient revenues to cover year-to-date expenses.

Contact Information

This report is prepared by the Finance Department. Additional financial information can also be viewed at our website: <http://www.auburnwa.gov/>. For any questions about the report please contact us at mchaw@auburnwa.gov or scoleman@auburnwa.gov.

City of Auburn
Investment Portfolio Summary
February 28, 2013

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 84,271,074	Various	0.17%
KeyBank Money Market	Various	7,513,599	Various	0.15%
US Treasury	05/04/1990	57,750	05/15/2016	5.72%
Total Cash & Investments		<u>\$ 91,842,423</u>		<u>0.167%</u>

Investment Mix	% of Total	Summary	
State Investment Pool	91.8%	Current 6-month treasury rate	0.12%
KeyBank Money Market	8.2%	Current State Pool rate	0.17%
US Treasury	0.1%	KeyBank Money Market	0.15%
		Blended Auburn rate	0.17%
	<u>100.0%</u>		

SALES TAX SUMMARY
FEBRUARY 2013 SALES TAX DISTRIBUTIONS (FOR DECEMBER 2012 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2012 Annual Total (Nov '11-Oct '12)	2012 YTD (Nov '11 - Dec '11)	2013 YTD (Nov '12 - Dec '12))	YTD % Diff
236	Construction of Buildings	483,409	81,952	127,934	56.1%
237	Heavy and Civil Construction	114,823	26,097	15,630	-40.1%
238	Specialty Trade Contractors	622,980	104,099	133,652	28.4%
TOTAL CONSTRUCTION		\$ 1,221,212	\$ 212,148	\$ 277,216	30.7%
Overall Change from Previous Year				\$ 65,069	

NAICS	MANUFACTURING	2012 Annual Total (Nov '11-Oct '12)	2012 YTD (Nov '11 - Dec '11)	2013 YTD (Nov '12 - Dec '12))	YTD % Diff
311	Food Manufacturing	2,932	708	255	-64.0%
312	Beverage and Tobacco Products	5,855	772	1,499	94.2%
313	Textile Mills	570	24	32	33.2%
314	Textile Product Mills	4,457	484	641	32.6%
315	Apparel Manufacturing	218	149	123	-17.3%
316	Leather and Allied Products	59	36	1	-97.4%
321	Wood Product Manufacturing	31,417	3,223	15,999	396.3%
322	Paper Manufacturing	3,944	606	664	9.5%
323	Printing and Related Support	28,275	6,162	3,817	-38.1%
324	Petroleum and Coal Products	10,532	1,413	1,647	16.5%
325	Chemical Manufacturing	8,089	899	1,078	19.9%
326	Plastics and Rubber Products	9,469	1,907	1,346	-29.4%
327	Nonmetallic Mineral Products	17,324	2,478	2,425	-2.1%
331	Primary Metal Manufacturing	1,766	435	12	-97.3%
332	Fabricated Metal Product Manuf	24,965	2,003	15,837	690.7%
333	Machinery Manufacturing	12,890	1,965	2,629	33.8%
334	Computer and Electronic Produc	10,260	844	1,848	119.1%
335	Electric Equipment, Appliances	426	164	114	-30.6%
336	Transportation Equipment Man	187,175	(20,287) a	54,787	-370.1%
337	Furniture and Related Products	18,721	1,789	3,080	72.1%
339	Miscellaneous Manufacturing	25,368	4,122	4,559	10.6%
TOTAL MANUFACTURING		\$ 404,712	\$ 9,897	\$ 112,394	1035.6%
Overall Change from Previous Year				\$ 102,497	

NAICS	TRANSPORTATION AND WAREHOUSING	2012 Annual Total (Nov '11-Oct '12)	2012 YTD (Nov '11 - Dec '11)	2013 YTD (Nov '12 - Dec '12))	YTD % Diff
481	Air Transportation	-	-	-	N/A
482	Rail Transportation	19,182	1,627	5,560	241.6%
484	Truck Transportation	10,245	1,845	2,427	31.6%
485	Transit and Ground Passengers	268	212	12	-94.5%
488	Transportation Support	18,841	2,852	3,446	20.8%
491	Postal Service	470	46	177	281.7%
492	Couriers and Messengers	568	108	239	122.5%
493	Warehousing and Storage	5,376	1,119	407	-63.7%
TOTAL TRANSPORTATION		\$ 54,952	\$ 7,809	\$ 12,267	57.1%
Overall Change from Previous Year				\$ 4,458	

NAICS	WHOLESALE TRADE	2012 Annual Total (Nov '11-Oct '12)	2012 YTD (Nov '11 - Dec '11)	2013 YTD (Nov '12 - Dec '12))	YTD % Diff
423	Wholesale Trade, Durable Goods	1,137,932	192,995	165,180	-14.4%
424	Wholesale Trade, Nondurable	153,721	21,544	24,543	13.9%
425	Wholesale Electronic Markets	5,065	859	728	-15.3%
TOTAL WHOLESALE		\$ 1,296,718	\$ 215,398	\$ 190,451	-11.6%
Overall Change from Previous Year				\$ (24,947)	

a. Wa. State Dept of Revenue audit adjustment to sales tax returns for period Nov 2011 (adjustment: -\$73,971).

NAICS	AUTOMOTIVE	2012 Annual Total (Nov '11-Oct '12)	2012 YTD (Nov '11 - Dec '11)	2013 YTD (Nov '12 - Dec '12))	YTD % Diff
441	Motor Vehicle and Parts Dealer	2,795,164	424,631	446,190	5.1%
447	Gasoline Stations	223,463	37,362	42,235	13.0%
TOTAL AUTOMOTIVE		\$ 3,018,627	\$ 461,993	\$ 488,424	5.7%
Overall Change from Previous Year				\$ 26,432	

NAICS	RETAIL TRADE	2012 Annual Total (Nov '11-Oct '12)	2012 YTD (Nov '11 - Dec '11)	2013 YTD (Nov '12 - Dec '12))	YTD % Diff
442	Furniture and Home Furnishings	226,309	45,362	43,600	-3.9%
443	Electronics and Appliances	145,391	32,694	37,854	15.8%
444	Building Material and Garden	425,494	59,716	63,656	6.6%
445	Food and Beverage Stores	341,379	57,374	53,425	-6.9%
446	Health and Personal Care Store	148,812	31,881	30,341	-4.8%
448	Clothing and Accessories	772,153	168,950	189,628	12.2%
451	Sporting Goods, Hobby, Books	120,507	29,870	29,147	-2.4%
452	General Merchandise Stores	967,039	223,261	214,610	-3.9%
453	Miscellaneous Store Retailers	508,326	83,878	95,304	13.6%
454	Nonstore Retailers	268,503	57,305	68,516	19.6%
TOTAL RETAIL TRADE		\$ 3,923,913	\$ 790,290	\$ 826,081	4.5%
Overall Change from Previous Year				\$ 35,791	

NAICS	SERVICES	2012 Annual Total (Nov '11-Oct '12)	2012 YTD (Nov '11 - Dec '11)	2013 YTD (Nov '12 - Dec '12))	YTD % Diff
51*	Information	396,353	65,882	72,949	10.7%
52*	Finance and Insurance	53,291	(6,861)	18,512	-369.8%
53*	Real Estate, Rental, Leasing	326,259	62,860	53,957	-14.2%
541	Professional, Scientific, Tech	173,274	34,206	30,948	-9.5%
551	Company Management	16	4	1	-85.9%
56*	Admin. Supp., Remed Svcs	334,354	42,152	55,131	30.8%
611	Educational Services	53,672	5,178	4,908	-5.2%
62*	Health Care Social Assistance	114,833	9,891	21,598	118.4%
71*	Arts and Entertainment	153,417	65,193	64,473	-1.1%
72*	Accomodation and Food Svcs	920,556	144,224	158,205	9.7%
81*	Other Services	388,279	64,575	63,797	-1.2%
92*	Public Administration	142,188	12,731	13,176	3.5%
TOTAL SERVICES		\$ 3,056,492	\$ 500,034	\$ 557,657	11.5%
Overall Change from Previous Year				\$ 57,623	

NAICS	MISCELLANEOUS	2012 Annual Total (Nov '11-Oct '12)	2012 YTD (Nov '11 - Dec '11)	2013 YTD (Nov '12 - Dec '12))	YTD % Diff
000	Unknown	1	-	-	N/A
111-115	Agriculture, Forestry, Fishing	2,868	264	1,171	344.1%
211-221	Mining & Utilities	30,229	3,596	2,186	-39.2%
999	Unclassifiable Establishments	27,601	3,027	16,927	459.2%
TOTAL SERVICES		\$ 60,699	\$ 6,887	\$ 20,284	194.5%
Overall Change from Previous Year				\$ 13,397	

GRAND TOTAL	\$ 13,037,326	\$ 2,204,455	\$ 2,484,774	
Overall Change from Previous Year			\$ 280,319	12.7%

The following table presents the Working Capital Statement for each of the City's Enterprise and Internal Service funds. Working Capital is generally defined as the difference between current assets and current liabilities.

WORKING CAPITAL	ENTERPRISE FUNDS								INTERNAL SERVICE FUNDS			
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	GOLF	INSURANCE	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Service	1,593,943.89	1,061,601.19	-	1,324,950.96	2,114,344.83	2,495.00	147,278.30	48,866.86	-	-	-	-
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	581,632.00	796,280.00	488,060.91
Sewer Metro Service Revenue	-	-	2,258,182.53	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	98,742.20	-	30,313.38	-	28,480.78	10,475.00	-
TOTAL OPERATING REVENUES	1,593,943.89	1,061,601.19	2,258,182.53	1,324,950.96	2,114,344.83	101,237.20	147,278.30	79,180.24	-	610,112.78	806,755.00	488,060.91
OPERATING EXPENSES												
Salaries & Wages	374,150.40	246,398.22	-	314,082.38	63,335.38	3,250.83	64,556.31	90,676.66	-	106,049.79	226,182.65	75,444.50
Benefits	167,117.84	108,284.85	-	137,946.14	27,739.43	1,109.29	30,744.89	45,331.20	-	47,389.57	93,265.53	34,041.26
Supplies	20,005.49	3,612.94	-	5,173.29	2,496.68	-	11,995.34	26,626.65	-	16,489.94	60,213.34	115,803.21
Other Service Charges	372,528.04	477,800.67	-	147,470.20	153,772.33	108,245.78	6,838.42	14,988.03	845,802.87	146,608.96	422,928.17	51,730.70
Intergovernmental Services	-	153.98	-	9,536.65	-	-	-	-	-	-	-	-
Waste Management Payments	-	-	-	-	859,218.83	-	-	-	-	-	-	-
Sewer Metro Services	-	-	2,399,170.30	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	184,784.00	161,677.21	-	213,966.00	30,150.00	-	9,366.00	27,416.00	-	19,868.00	50,284.00	41,272.37
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	382,678.76	314,342.29	-	254,489.76	3,136.55	67,293.04	9,613.91	51,360.23	-	-	78,491.55	131,040.87
TOTAL OPERATING EXPENSES	1,501,264.53	1,312,270.16	2,399,170.30	1,082,664.42	1,139,849.20	179,898.94	133,114.87	256,398.77	845,802.87	336,406.26	931,365.24	449,332.91
OPERATING INCOME (LOSS)	92,679.36	(250,668.97)	(140,987.77)	242,286.54	974,495.63	(78,661.74)	14,163.43	(177,218.53)	(845,802.87)	273,706.52	(124,610.24)	38,728.00
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	3,038.39	3,501.62	1.86	2,658.28	185.62	266.72	57.89	103.34	315.72	470.98	791.61	1,499.49
Contributions	-	-	-	-	54,267.75	-	-	-	-	-	-	-
Other Non-Operating Revenue	278.36	109,978.35	-	668.35	-	(16,042.40)	-	-	-	-	-	6,505.41
Gain (Loss) On Sale Of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	3,316.75	113,479.97	1.86	3,326.63	54,453.37	(15,775.68)	57.89	103.34	315.72	470.98	791.61	8,004.90
PLUS ITEMS NOT EFFECTING WORKING CAPITAL												
Depreciation	382,678.76	314,342.29	-	254,489.76	3,136.55	67,293.04	9,613.91	51,360.23	-	-	78,491.55	131,040.87
NET WORKING CAPITAL FROM OPERATIONS	478,674.87	177,153.29	(140,985.91)	500,102.93	1,032,085.55	(27,144.38)	23,835.23	(125,754.96)	(845,487.15)	274,177.50	(45,327.08)	177,773.77
Increase In Contributions - System Development ¹	71,920.00	2,110,875.50	-	81,851.28	-	-	-	-	-	-	-	-
Increase In Contributions - Area Assessments	-	2,253.61	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Governments	-	-	-	705,853.09	-	-	-	-	-	-	-	-
Increase In Contributions - Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - FAA	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds of Debt Activity	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	2,443.34	-	-	-	-
Increase In Restricted Net Assets	(104.22)	10,825.12	-	-	-	2,098.30	-	-	-	-	-	-
Decrease In Long-Term Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Deferred Credits	-	-	-	-	-	16,175.78	-	-	-	-	-	-
TOTAL RESOURCES OTHER THAN OPERATIONS	71,815.78	2,123,954.23	-	787,704.37	-	18,274.08	-	2,443.34	-	-	-	-
Net Change In Restricted Net Assets	(385.22)	113.24	-	(2,090.09)	-	2,098.30	-	3,550.41	-	-	-	-
Increase In Fixed Assets - Salaries	47,377.08	7,859.36	-	23,472.17	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Benefits	19,746.57	3,374.67	-	9,887.38	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements	4,248.52	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	12,884.50	13,115.91
Increase In Fixed Assets - Construction	394,875.63	29,308.84	-	211,643.54	-	-	-	-	-	-	-	-
Operating Transfers Out	50,000.00	50,000.00	-	50,000.00	-	-	-	-	-	-	-	7,000.00
Debt Service Principal	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL USES OTHER THAN OPERATIONS	515,862.58	90,656.11	-	292,913.00	-	2,098.30	-	3,550.41	-	-	12,884.50	20,115.91
NET CHANGE IN WORKING CAPITAL	34,628.07	2,210,451.41	(140,985.91)	994,894.30	1,032,085.55	(10,968.60)	23,835.23	(126,862.03)	(845,487.15)	274,177.50	(58,211.58)	157,657.86
BEGINNING WORKING CAPITAL - January 1, 2013	10,196,281.10	12,072,579.09	-	10,218,848.21	1,018,487.34	818,912.00	182,098.05	90,691.62	2,028,681.08	1,473,040.96	2,885,527.19	5,559,564.94
ENDING WORKING CAPITAL - February 28, 2013	10,230,909.17	14,283,030.50	(140,985.91)	11,213,742.51	2,050,572.89	807,943.40	205,933.28	(36,170.41)	1,183,193.93	1,747,218.46	2,827,315.61	5,717,222.80
NET CHANGE IN WORKING CAPITAL	34,628.07	2,210,451.41	(140,985.91)	994,894.30	1,032,085.55	(10,968.60)	23,835.23	(126,862.03)	(845,487.15)	274,177.50	(58,211.58)	157,657.86

The following table provides an analysis of each of the City's Enterprise and Internal Service funds - showing 2013 revenues and expenditures by fund.

FUND BALANCE	ENTERPRISE FUNDS								INTERNAL SERVICE FUNDS			
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	GOLF	INSURANCE	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Service	1,593,943.89	1,061,601.19	-	1,324,950.96	2,114,344.83	2,495.00	147,278.30	48,866.86	-	-	-	-
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	581,632.00	796,280.00	488,060.91
Sewer Metro Service Revenue	-	-	2,258,182.53	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	98,742.20	-	30,313.38	-	28,480.78	10,475.00	-
TOTAL OPERATING REVENUES	1,593,943.89	1,061,601.19	2,258,182.53	1,324,950.96	2,114,344.83	101,237.20	147,278.30	79,180.24	-	610,112.78	806,755.00	488,060.91
OPERATING EXPENSES												
Administration	433,099.92	334,864.16	-	415,072.89	111,955.73	112,590.33	44,165.17	38,275.76	845,802.87	-	-	128,456.14
Operations & Maintenance	685,485.85	663,063.71	-	413,101.77	165,538.09	15.57	79,335.79	166,762.78	-	336,406.26	852,873.69	189,835.90
Waste Management Payments	-	-	-	-	859,218.83	-	-	-	-	-	-	-
Sewer Metro Services	-	-	2,399,170.30	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	382,678.76	314,342.29	-	254,489.76	3,136.55	67,293.04	9,613.91	51,360.23	-	-	78,491.55	131,040.87
TOTAL OPERATING EXPENSES	1,501,264.53	1,312,270.16	2,399,170.30	1,082,664.42	1,139,849.20	179,898.94	133,114.87	256,398.77	845,802.87	336,406.26	931,365.24	449,332.91
OPERATING INCOME (LOSS)	92,679.36	(250,668.97)	(140,987.77)	242,286.54	974,495.63	(78,661.74)	14,163.43	(177,218.53)	(845,802.87)	273,706.52	(124,610.24)	38,728.00
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	3,038.39	3,501.62	1.86	2,658.28	185.62	266.72	57.89	103.34	315.72	470.98	791.61	1,499.49
Other Non-Operating Revenue	278.36	109,978.35	-	668.35	54,267.75	(16,042.40)	-	-	-	-	-	6,505.41
Gain (Loss) On Sale Of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	3,316.75	113,479.97	1.86	3,326.63	54,453.37	(15,775.68)	57.89	103.34	315.72	470.98	791.61	8,004.90
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	95,996.11	(137,189.00)	(140,985.91)	245,613.17	1,028,949.00	(94,437.42)	14,221.32	(177,115.19)	(845,487.15)	274,177.50	(123,818.63)	46,732.90
Contributions ¹	71,920.00	2,113,129.11	-	787,704.37	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	2,443.34	-	-	-	-
Transfers Out	(50,000.00)	(50,000.00)	-	(50,000.00)	-	-	-	-	-	-	-	(7,000.00)
TOTAL CONTRIBUTIONS & TRANSFERS	21,920.00	2,063,129.11	-	737,704.37	-	-	-	2,443.34	-	-	-	(7,000.00)
CHANGE IN FUND BALANCE	117,916.11	1,925,940.11	(140,985.91)	983,317.54	1,028,949.00	(94,437.42)	14,221.32	(174,671.85)	(845,487.15)	274,177.50	(123,818.63)	39,732.90
BEGINNING FUND BALANCE - January 1, 2013	67,719,034.00	74,779,493.00	-	49,964,488.00	1,128,442.00	9,439,263.00	872,103.00	8,578,904.00	2,028,681.00	1,415,971.00	4,069,294.00	10,502,921.00
ENDING FUND BALANCE - February 28, 2013	67,836,950.11	76,705,433.11	(140,985.91)	50,947,805.54	2,157,391.00	9,344,825.58	886,324.32	8,404,232.15	1,183,193.85	1,690,148.50	3,945,475.37	10,542,653.90

¹ Sewer contributions reflect System Development Charges resulting from the Goedecke land swap agreement with the WA Department of Transportation.